

Identification of the Area

Name or Designation: Bellevue Area 80

Boundaries:

West – Lake Washington
North – State Highway 520
East – Lake Sammamish
South – Interstate Highway 90

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located in Public Information on the 7th floor of the King County Administration Building.

Area Description:

Geographic area 80 consists of the downtown Bellevue Central Business District (CBD) and Old Bellevue (OB), both located west of I-405. To the east of I-405 is the Midlakes neighborhood, home to Bellevue's Auto Row, Overlake Hospital and medical and dental offices. Area 80 extends east to the Overlake area with its numerous shopping centers, office buildings, retail, and other small enterprises. The North Bellevue neighborhood includes the cities of Medina, Yarrow Point, Clyde Hill, and Hunts Point. This neighborhood serves the immediate residential properties with service stations, convenience stores, a nursery and eating establishments. Many of the commercial properties are tax exempt such as schools, municipal offices, fire and police stations. South Bellevue neighborhood extends from Main Street to Interstate Highway 90. It is similar to the North Bellevue neighborhood with the commercial properties generally serving the nearby residential needs.

Background of Bellevue:

Bellevue is located along the eastern shore of Lake Washington. It was founded by William Meydenbauer in 1869. For years it was an area where logging, farming and boat building took place. By the 1950's Bellevue was a suburban residential area with very little commerce. It was incorporated as a city in 1953. The face of Bellevue has changed dramatically over the last 50 years. It is currently the state's fourth largest city. Since more people are employed in Bellevue than reside there, it can no longer be considered a bedroom community. In spite of intense development Bellevue retains much of its appeal. The blueberry farms along the Mercer Slough managed to survive through development and continue to be enjoyed today. The original small shopping district has been designated by the city as Old Bellevue; development restrictions help retain its character. The City has also encouraged the creation of pedestrian corridors and pedestrian friendly streets.

Bellevue has Puget Sound's second largest convention center. It was built in 1993 and is financially self sustaining. Estimates are that it adds \$25 million a year to the local economy. Recently, there has been speculation that the Seattle Sonics basketball team is considering re-locating to Bellevue and a new arena would need to be built in Bellevue.

Bellevue is pro-active in attracting businesses. The Bellevue Economic Partnership was founded in 1997 by four parties: Bellevue Chamber of Commerce, City of Bellevue, Bellevue Downtown Association and the Port of Seattle. Their primary goal is to retain and recruit high technology businesses to Bellevue and to serve as a catalyst for attracting other new businesses.

Physical Inspection Area:

Neighborhoods 80-80 and 80-90 were physically inspected for the 2005 roll year. Neighborhood 80-80 includes Medina, Clyde Hill, Yarrow Point, Hunts Point and the Northup Way area of Bellevue. Neighborhood 80-90 is delineated by Main Street to the north, I-90 to the south, Lake Washington to the west and I-405 to the east. Except for Bellevue Way S.E. and Northup Way, these neighborhoods are mostly residential with limited commercial services.

Preliminary Ratio Analysis:

A Preliminary Ratio Study was done in February 2006. The study included sales of improved parcels and showed a COV of 21.98%.

The study was also repeated after application of the 2006 recommended values. The results are included in the validation section of this report, showing a change in the COV from 21.98% to 7.80%.

Scope of Data

Land Value Data:

Vacant sales from 2/2003 to 12/2005 were given primary consideration for valuing land.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. A sales questionnaire was mailed to sellers and purchasers of properties which sold in Area 80 during 2004 and 2005. Since participation was voluntary, the response was modest. In addition, sales were verified, when possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides in the Assessor's procedure manual located in the Public Information area of the King County Administration Building.

Land Value

Land Sales, Analysis, Conclusions :

The Bellevue real estate market has become vibrant and active after several years of low sales volume. There were 13 land sales in area 80 in 2005. The Bellevue commercial real estate market was very active in the 1990's and abruptly changed in 2000 with very few sales. The number of land sales in 2005, in particular the last half, is very positive for the Bellevue market. The Assessor used three years of sales in developing the land model for all commercial properties. In addition to the thirteen new sales in 2005, six other land sales from area 80 were used in the model development. Areas 75, southeast Bellevue, and 90, Redmond, are adjacent to the subject area. Sales from these areas were considered in valuing nearby properties in area 80. Every effort was made to equalize the assessed land values of similarly zoned land between these adjacent areas. Assessed land values are based on land sales of properties with the same zoning or with similar development potential. For example, sales of O (office) zoned properties can be compared to OLB (office and limited business) zoned properties or with PO (professional office). Generally, assessed land values in the various Bellevue neighborhoods increased between 19.1% to 19.9%.

The total land value for the 2005 assessment (taxes payable in 2006) for Area 80 was \$1,725,675,100 the total recommended assessed land for the 2006 assessment year is \$2,060,590,400. The recommended land values for the 2006 assessment year result in a change from the 2005 assessment of 19.41%. Therefore, changes in land values within area 80 were very consistent.

The following is a discussion of the sales analysis for each of the neighborhoods

Area 80-10 Central Business District-Bellevue (CBD) and

Area 80-40 Central Business District- North Bellevue

Areas 80-10 and 80-40 are the heart of the Bellevue Central Business District (CBD). The two areas had all of the 13 new land sales for 2005. The average overall increase for the two neighborhoods was 19.9%. The two neighborhoods contain the only high-rise office zoning in Bellevue, CBD-0-1 and CBD-0-2. There have been four new sales of CBD-0-1 and CBD-0-2 land, indicating an average increase of 27.5% for the two zonings. There were two sales of CBD-MU land and it increased an average of 20.5%. There were two sales of CBD-R land in 2005 indicating an average increase of 20.4%. Finally, there were three new sales of R-30 zoned property, in addition to two older sales, indicating an average increase of 26.1%.

Below are the 5 sales of high-rise office land which increased an average of 27.5%:

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone
080	010	154410	0253	105,711	2130270	\$12,780,000	05/27/05	\$120.90	TEAR DOWN	CBD01
080	010	154410	0270	117,612	2177302	\$15,625,000	12/13/05	\$132.85	SAFEWAY	CBD01
080	010	154410	0299	143,883	2177306	\$15,231,000	12/22/05	\$105.86	TIRE SALES	CBD02
080	040	154460	0146	44,180	2107301	\$10,240,000	03/07/05	\$231.78	VACANT	CBD02
080	040	154460	0144	191,642	2170331	\$31,000,000	11/11/05	\$161.76	VACANT	CBD02

There were two sales of CBD-R land in 2005 indicating an average increase in assessed land value of 20.4%

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone
080	040	072000	0030	11,020	2177182	\$1,133,000	12/15/05	\$102.81	VACANT	CBD-R
080	040	140330	0010	7,344	2114505	\$860,000	03/09/05	\$117.10	TEAR DOWN	CBD-R

Finally, there were three new sales of R-30 zoned land, in addition to two older sales, indicating an average increase of 26.1%

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone
080	010	066600	0150	14,852	2172278	\$682,000	11/14/05	\$45.92	SFR	R-30
080	010	322505	9169	18,248	2167237	\$700,000	11/01/05	\$38.36	TEAR DOWN	R-30
080	010	868280	0005	46,621	2162744	\$5,300,000	10/04/05	\$113.68	VACANT	R-30
080	010	066600	0314	68,359	2092804	\$3,200,000	12/21/04	\$46.81	TEAR DOWN	R-30
080	010	322505	9179	8,470	1988155	\$180,000	09/15/03	\$21.25	VACANT	R-30

Area 80-20 Old Bellevue (OB)

Old Bellevue, with its close proximity to Bellevue Square, Bellevue Park and small shops and restaurants, has seen significant new construction of apartments and condominiums over the last several years. Although there have been no new land sales, sales prices of improved properties in Old Bellevue show an increase which is reflected in the current land values. Land values increased an average of 19.4% for the 2006 revalue.

Area 80-30 Crossroads

The Crossroads neighborhood abuts area 75 to the south and 90 to the north. Although area 80-30 has had no land sales in the last three years, sales in the adjacent areas affected the land values in this area. Sales from areas 75 and 90, as well as current listings, indicated an increase in the land for this neighborhood. The appraisers responsible for the three areas conferred to insure equalization of values for properties of like zoning. As a result, land values increased an average of 19.5%.

Area's 80-50 and 80-60 Overlake 1 & 2

There have been no land sales in the two areas for a number of years and the assessed land values have remained fairly stable. Land in this neighborhood was changed for equalization and was based on a general increase in both improved sales prices within the neighborhoods and the increased land sales prices throughout area 80. Land in neighborhoods 80-50 and 80-60 increased an average of 19.4%.

Area 80-70 Midlakes

The Midlakes area extends from 116th Avenue NE to 130th Avenue NE. Midlakes has had no new sales in 2005. Land values in this neighborhood increased more modestly than most of area 80 with an average increase of 19.1%.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Zone	Property Name
080	070	398651	0009	27,469	1938111	\$1,050,000	02/04/03	\$38.22	GC	VACANT LAND
080	070	282505	9297	179,281	2011494	\$3,900,000	12/26/03	\$21.75	LI	VACANT INDUSTRIAL LAND

Area 80-80 Northwest Bellevue

There were no land sales for this neighborhood, which encompasses the cities of Medina, Clyde Hill, Yarrow Point and Hunt's Point. Land values in this area have remained very stable for a number of years due to a lack of land sales. Due to increased market activity in the Bellevue area, land values in this neighborhood increased an average of 19.2%.

Area 80-90 South Bellevue

This neighborhood is located just south of the CBD and south of Old Bellevue predominantly along Bellevue Way SE. There were no land sales in this neighborhood. Land values in this neighborhood were equalized with adjacent neighborhoods and the average overall increase was 19.4%.

Improved Parcel Total Values:

General Market Conditions

The CBD of Bellevue was a very active commercial real estate market in the late 1990's until 2000, with many sales, very low vacancies and rapidly appreciating values. Much of the activity in the Bellevue area that fueled price increases revolved around software and high tech businesses. Starting in 2001 there was an abrupt change in market conditions, with very few sales and high vacancy rates in the offices. After several years of a slow market, we are seeing positive signs for the commercial real estate market in Bellevue. There were more land and improved sales in Bellevue in 2005 than the previous two years combined and the prices indicate market appreciation. Another positive sign for Bellevue's real estate market was the purchase in 2003 of Lincoln Square by Kemper Freeman Jr., owner of Bellevue Square, a regional retail mall. Lincoln Square, a multi-use project including retail, office, hotel and a residential condominium development. The project was halted just after the foundation and parking garage were built. Construction resumed in 2004 and the retail stores started to open in November of 2005 in time for the holiday shopping season. The Westin hotel chain will manage the hotel. The final sales of the residential condominiums should be completed in spring of 2006. The overall national economy continues to improve and the Bellevue market appears to be following this trend. Based on prior market evidence and given its central location in the Puget Sound region, investors are returning to the Bellevue real estate market with much enthusiasm.

Sales comparison approach model description

The model for sales comparison was based on four data sources from the Assessor's records; occupancy codes, age, condition and size. A search was made for data that most closely fit a subject property within each geographic area.

There are 87 improved sales in Area 80 considered good, fair market transactions reflective of market conditions. The sales are organized into market segments based on predominant use. Based on a sales

analysis, each segment was assigned a market range of price per square foot of net rentable area. The sales price ranges served to establish a general upper and lower market boundary for the various property types within the subject area. Location, quality, and effective age were factors considered for adjustment.

The sales comparison approach is given more weight for this revalue than in recent years as there have been more sales and the sales prices, in many cases, exceed the traditional parameters of investor purchases. In a majority of neighborhoods, office and retail properties were valued based on market sales (\$ per square foot of net rentable area). The next method used was income and the cost approach completed the remaining properties.

Investors in the real estate market have recently been willing to accept a lower income stream with the anticipation of a continuing appreciating market and confidence that occupancy and rental income will grow. In addition to the large investors, several of the recent office sales have been for owner occupancy.

The demand for retail space in Bellevue is very strong with low vacancy. The trend in Bellevue for new construction is mixed retail and residential. This type of development is expected to continue. Among the projects that recently broke ground is the new Bellevue Way Safeway store with multi-story residential above.

We have seen a return of investors to the office real estate market in Bellevue. This year vacancy rates have dropped to sub 10 % from a high a couple of years ago of 20%+. In 2000 the vacancy rates were below 2%. Vacancy traditionally average 5% to 10%, so it appears the market is stabilizing.

Sales comparison calibration

The search for comparable sales was within each geographic neighborhood and was expanded to include the surrounding neighborhoods within the geographic area.

Cost approach model description

The Marshall & Swift Commercial Estimator was automatically calculated on all properties. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. The cost approach was exclusively used for some types of properties that are never investment properties, such as public schools and federally owned post offices. In addition, this method works well for properties such as automobile dealerships where there is often a large land to building ratio.

Cost calibration

Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the parcel and the computerized valuation model supplied by Marshall & Swift.

Income capitalization approach model description

Tables were developed for the nine neighborhoods within area 80. The tables include the following: offices, medical/dental offices, discount stores, retail stores, warehouses, light industrial, no rent table and service garages. All the tables are included in this report.

For properties that are improved to their highest and best use, the income approach is often given the most weight in valuing a property. Income parameters were derived from the market place through the sales listed as well as through market surveys and available publications. Stratification of these parameters for the various property types indicates:

Bellevue CBD/North Bellevue CBD Area 80-10 & 80-40

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll .Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$30.00	10%/ 6%	33%	7.00% to 9.25%
Retail/Mixed Use	\$7.50 to \$27.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$5.00 to \$14.00	5%	10%	7.25% to 9.25%

Annual office rents range from \$18.00 to \$30.00 per net rentable area. Offices have annual expense rates of 33% and the overall capitalization rates range from 7.00% to 9.25%. The office vacancy allotted for the CBD was 10% and 6% for medical office. The retail and mixed-use retail annual rent rates are \$7.50 to \$27.00 per net rentable area. Retail rents are capitalized using triple net (NNN) leases with expenses of 10% and an overall capitalization rate of 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties and service garages annual rents rate ranges from \$5.00 to \$14.00 per square foot of net rentable area. They have an annual expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

Except for offices, vacancy and credit loss is 5%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

Old Bellevue (CBD-OB) Area 80-20

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$31.00	5%	33%	7.00% to 9.25%
Retail/Mixed Use	\$15.00 to \$35.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$14.00	5%	10%	7.25% to 9.25%

Annual office rents range from \$18.00 to \$31.00 per square foot of net rentable area. Offices have an annual expense rate of 33% and overall capitalization rates of 7.00% to 9.25%.

Retail, restaurant and mixed-use retail rents range from \$15.00 to \$35.00 annually per square foot of net rentable area. They have a triple net annual expense rate of 10% and the overall capitalization rates range from 7.25% to 9.25%.

The industrial, storage warehouse, industrial flex properties and service garages annual rents range from \$4.20 to \$14.00 per square foot of net rentable area. They have a triple net annual expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

In all instances, vacancy and credit loss is at 5%. Old Bellevue has few offices and the vacancy has remained lower than other areas of Bellevue.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

OVERLAKE I AND II Areas 80-50 & 80-60

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$31.00	10%/ 6%	33%	7.25% to 9.25%
Retail/Mixed Use	\$6.20 to \$23.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$14.00	5%	10%	7.25% to 9.25%

Annual office rents range from \$18.00 to \$31.00 per square foot of net rentable area. A vacancy rate of 10% was used and expenses of 33%. Medical offices were given a 6% vacancy and credit loss and 33% expenses. Overall capitalization rates range from 7.25% to 9.75%. This area encompasses much of Bel-Red Road.

Retail, restaurant, and mixed-use retail annual rent range from \$6.20 to \$23.00 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties and service garages annual rents rate ranges from \$4.20 to \$14.00 per square foot of net rentable area. They have an annual expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

Except for offices, vacancy and credit loss is at 5.0%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

CROSSROADS Area 80-30

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$30.00	10%/ 6%	33%	7.25% to 9.25%
Retail/Mixed Use	\$6.20 to \$27.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$7.20	5%	10%	7.25% to 9.25%

Annual office rents range from \$18.00 to \$30.00 per square foot of net rentable area. A vacancy and credit loss factor of 10% is applied and expenses of 33% are allotted. Six percent vacancy and credit loss was allowed for medical offices. The overall capitalization rates range from 7.25% to 9.25%.

Retail, restaurant, and mixed-use retail rents range from \$6.20 to \$27.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties and service garages annual rates range from \$4.20 to \$7.20 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

In all instances, vacancy and credit loss is at 5.0%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

MIDLAKES Area 80-70

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$31.00	10%/ 6%	33%	7.25% to 9.25%
Retail/Mixed Use	\$6.20 to \$23.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$13.00	5%	10%	7.25% to 9.25%

Annual office rent rates range from \$18.00 to \$31.00 per square foot of net rentable area. A vacancy and credit loss of 10% was used for general offices and 6% for medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 7.25% to 9.25%.

Retail, restaurant, and mixed-use retail rent rates range from \$6.20 to \$23.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties and service garages annual rates range from \$4.20 to \$13.00 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

Except for offices, vacancy and credit loss is at 5.0%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

NORTH BELLEVUE Area 80-80

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$31.00	10%/ 6%	33%	7.25% to 9.25%
Retail/Mixed Use	\$6.20 to \$23.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$14.00	5%	10%	7.25% to 9.25%

Annual office rent rates range from \$18.00 to \$31.00 per square foot of net rentable area. A vacancy and credit loss of 10% was used for general offices and 6% for medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 7.25% to 9.25%.

Retail, restaurant, and mixed-use retail rents range from \$6.20 to \$23.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties and service garages annual rents range from \$4.20 to \$14.00 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.25% to 9.25%.

Except for offices, vacancy and credit loss is at 5.0%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

SOUTH BELLEVUE Area 80-90

Land Use:	Rent Range per Sq.Ft.	Vacancy/Coll . Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$30.00	10%/ 6%	33%	7.25% to 9.25%
Retail/Mixed Use	\$6.20 to \$27.00	5%	10%	7.25% to 9.25%
Industrial/Whse.	\$4.20 to \$14.00	5%	10%	7.25% to 9.25%

Annual office rents range from \$18.00 to \$30.00 per square foot of net rentable area. . A vacancy and credit loss of 10% was used for general offices and 6% for medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 7.25% to 9.25%.

Retail, restaurant, and mixed-use retail rents range from \$6.20 to \$27.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.25% to 9.25%.

Industrial, storage warehouse, industrial flex properties annual rents and service garages range from \$4.20 to \$14.00 per square foot of net rentable area. They have a triple net expense rate of 9.25% and overall capitalization rates ranging from 7.25% to 9.25%.

Except for offices, vacancy and credit loss is at 5.0%. Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

Income approach calibration

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

The area Appraiser reviewed all value estimates prior to final value selection. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but fall within an acceptable range of variation from the established guideline. The Senior Appraiser reviewed all value selects before posting.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood and the market. The appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

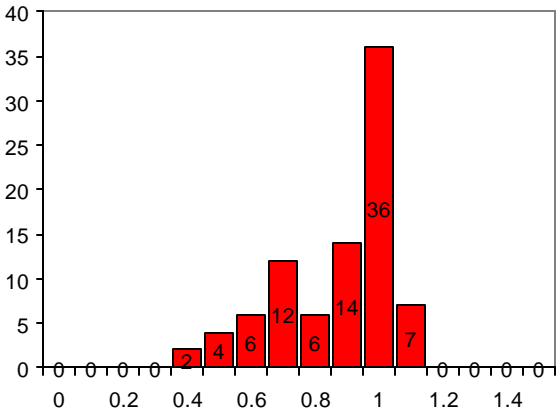
State law requires properties to be assessed at 100 percent of market value. Ratios comparing sales price to assessed value were calculated prior to commencing the revalue of Bellevue and again after completing the revalue. The weighted mean ratio of assessed value to sales price prior to revalue was 86.0%. The new assessment level is reflected in the improved weighted mean ratio of 99.1%. The standard statistical measures of valuation performance are presented in the Executive Summary. The total assessed value for the 2005 assessment year for Area 80 was \$ 3,204,970,900. The total recommended assessed value for the 2006 assessment year is \$ 3,723,325,400. The total increase is \$ 518,354,500.

Application of these recommended values for the 2006 assessment year (taxes payable in 2007) results in an average total change from the 2005 assessments of +16.17%

Note: Additional details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the assessor's office.

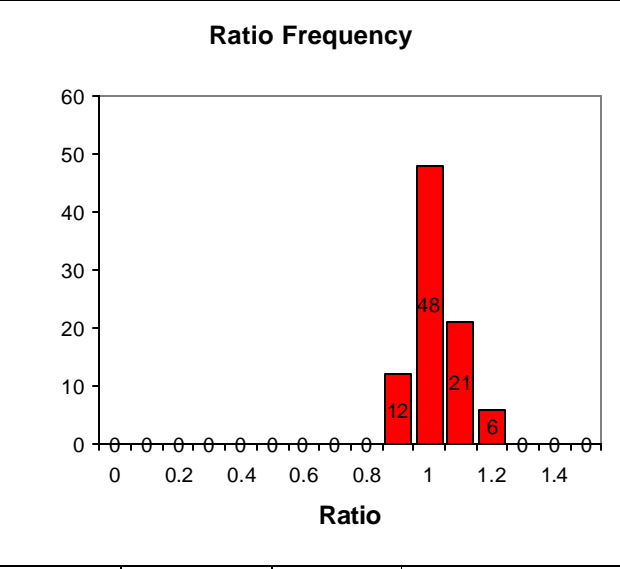
Improvement Ratio Study (Before)

2005 Assessments

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:				
East Crew	1/1/2005	3/29/2006	3/3/03 - 3/14/06				
Area	Appr ID:	Prop Type:	Trend used?: Y / N				
80	JPLA	Improvement	N				
SAMPLE STATISTICS							
Sample size (n)	87	<div><div>Ratio Frequency</div><p>A histogram showing the frequency of ratios. The x-axis is labeled 'Ratio' and ranges from 0 to 1.4. The y-axis is labeled 'Ratio Frequency' and ranges from 0 to 40. The bars are red with black outlines. The frequencies for each ratio bin are: 0.4-0.5: 2, 0.5-0.6: 4, 0.6-0.7: 6, 0.7-0.8: 12, 0.8-0.9: 6, 0.9-1.0: 14, 1.0-1.1: 36, 1.1-1.2: 7.</p></div>					
Mean Assessed Value	3,401,400						
Mean Sales Price	3,953,500						
Standard Deviation AV	4,259,977						
Standard Deviation SP	4,684,872						
ASSESSMENT LEVEL							
Arithmetic mean ratio	0.817	<div>These figures reflect ratios of assessed values to sales prices prior to the 2006 revalue.</div>					
Median Ratio	0.899						
Weighted Mean Ratio	0.860						
UNIFORMITY							
Lowest ratio	0.3192						
Highest ratio:	1.0837						
Coefficient of Dispersion	15.06%						
Standard Deviation	0.1797						
Coefficient of Variation	21.98%						
Price-related Differential	0.95						
RELIABILITY							
95% Confidence: Median		<div>These figures reflect ratios of assessed values to sales prices prior to the 2006 revalue.</div>					
Lower limit	0.856						
Upper limit	0.915						
95% Confidence: Mean							
Lower limit	0.780						
Upper limit	0.855						
SAMPLE SIZE EVALUATION							
N (population size)	997	<div>These figures reflect ratios of assessed values to sales prices prior to the 2006 revalue.</div>					
B (acceptable error - in decimal)	0.05						
S (estimated from this sample)	0.1797						
Recommended minimum:	49						
Actual sample size:	87						
Conclusion:	OK						
NORMALITY							
Binomial Test					<div>These figures reflect ratios of assessed values to sales prices prior to the 2006 revalue.</div>		
# ratios below mean:	32						
# ratios above mean:	55						
z:	2.358647577						
Conclusion:	Non-normal						
*i.e., no evidence of non-normality							

Improvement Ratio Study (After)

2006 Assessments

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:				
East Crew	1/1/2006	3/29/2006	3/3/03 - 3/14/06				
Area	Appr ID:	Prop Type:	Trend used?: Y / N				
80	JPLA	Improvement	N				
SAMPLE STATISTICS							
Sample size (n)	87						
Mean Assessed Value	3,918,300						
Mean Sales Price	3,953,500						
Standard Deviation AV	4,739,428						
Standard Deviation SP	4,684,872						
ASSESSMENT LEVEL							
Arithmetic mean ratio	0.975	<div>These figures reflect ratios of assessed values to sales prices after the 2006 revalue.</div>					
Median Ratio	0.976						
Weighted Mean Ratio	0.991						
UNIFORMITY							
Lowest ratio	0.8073						
Highest ratio:	1.1723						
Coefficient of Dispersion	5.91%						
Standard Deviation	0.0760						
Coefficient of Variation	7.80%						
Price-related Differential	0.98						
RELIABILITY							
95% Confidence: Median							
Lower limit	0.953						
Upper limit	0.993						
95% Confidence: Mean							
Lower limit	0.959						
Upper limit	0.991						
SAMPLE SIZE EVALUATION							
N (population size)	997						
B (acceptable error - in decimal)	0.05						
S (estimated from this sample)	0.0760						
Recommended minimum:	9						
Actual sample size:	87						
Conclusion:	OK						
NORMALITY							
Binomial Test							
# ratios below mean:	43						
# ratios above mean:	44						
z:	0						
Conclusion:	Normal*						
*i.e., no evidence of non-normality							

Improvement Sales Used in Area 80

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	010	066600	0125	12,506	2064087	\$2,625,000	08/04/04	\$209.90	OFFICE BLDG	O	1	Y	
080	010	154410	0323	93,958	2123535	\$22,150,000	05/17/05	\$235.74	KEY BANK BLDG	CBD02	1	Y	
080	010	154410	0324	11,694	2019815	\$3,500,000	02/20/04	\$299.30	DEAN WITTER REYNOLDS BLDG	CBD02	1	Y	
080	010	322505	9005	69,182	2013066	\$10,100,000	01/09/04	\$145.99	LINCOLN CENTER OFFICE PARK	OLB	1	Y	
080	010	322505	9044	35,887	2114571	\$6,800,000	04/11/05	\$189.48	BELLEVUE COURT	OLB	1	Y	
080	010	322505	9137	1,093	2120390	\$750,000	04/27/05	\$686.18	OFFICE conv SFR	PO	1	Y	
080	010	322505	9220	65,521	1942945	\$11,730,000	03/03/03	\$179.03	400 BUILDING	CBD01	1	Y	
080	020	066600	0035	2,418	2127189	\$900,000	05/31/05	\$372.21	RETAIL	CBD-OB	1	Y	
080	020	066600	0087	2,478	2177090	\$962,800	12/15/05	\$388.54	BARBER SHOP	CBD-OB	2	Y	
080	020	154560	0061	5,810	1948875	\$1,637,953	03/21/03	\$281.92	OFFICE	CBD-OB	1	Y	
080	020	322505	9033	2,100	2009918	\$2,600,000	12/23/03	\$1,238.10	CHEVRON STATION	CBD-OB	1	Y	
080	020	689930	0050	1,730	2083137	\$750,000	11/11/04	\$433.53	MARKET	CBD-OB	1	Y	
080	030	262505	9063	6,457	1969798	\$1,075,000	06/24/03	\$166.49	Private School	R-5	2	Y	
080	030	262505	9176	30,596	2166445	\$4,630,000	10/26/05	\$151.33	WASHINGTON NATURAL GAS CO	O	1	Y	
080	030	262505	9208	8,094	2012427	\$1,050,000	01/05/04	\$129.73	GOODYEAR TIRE STORE	O	1	Y	
080	030	262505	9213	21,349	2021766	\$3,800,000	02/27/04	\$177.99	SHIN-LIN	CB	2	Y	
080	030	262505	9217	13,035	2182145	\$3,100,000	01/10/06	\$237.82	SHERWOOD TRAVEL/RETAIL	O	1	Y	
080	030	775250	0140	17,822	2154720	\$3,104,000	09/14/05	\$174.17	SHERWOOD FOREST OFFICE PARK	O	1	Y	
080	040	126620	0045	9,736	2096672	\$2,000,000	01/12/05	\$205.42	HARPER BOND BLDG	O	1	Y	
080	040	126620	0165	2,135	2085061	\$695,000	11/19/04	\$325.53	MURENCO ENGINEERING conv SFR	O	1	Y	
080	040	126620	0225	8,788	2142335	\$2,000,000	07/28/05	\$227.58	OFFICE	O	1	Y	
080	040	126620	0225	8,788	2112414	\$1,978,000	03/30/05	\$225.08	OFFICE	O	1	Y	
080	040	154460	0125	46,431	2086158	\$19,974,000	11/19/04	\$430.19	EASTVIEW MANOR	CBD-MU	2	Y	
080	040	292505	9023	65,146	1995183	\$11,047,550	10/15/03	\$169.58	WASHINGTON PARK EAST OFFICE BLDG	O	2	Y	

080	040	292505	9178	77,236	2130901	\$10,375,000	06/14/05	\$134.33	THE COMMONS	OLB	1	Y	
080	040	292505	9193	1,112	1944578	\$548,200	03/10/03	\$492.99	OFFICE-CONV SFR	O	1	Y	
080	040	292505	9282	1,756	2049144	\$510,000	06/23/04	\$290.43	office, conv from SFR	O	1	Y	
080	040	292505	9283	1,960	2079912	\$635,000	10/06/04	\$323.98	medical office conv SFR	O	1	Y	
080	040	532680	0070	2,178	2132782	\$625,000	06/20/05	\$286.96	SFR conv to office use	O	1	Y	
080	040	532800	0025	1,730	2148756	\$728,200	08/01/05	\$420.92	OFFICE conv sfr	O	1	Y	
080	040	570900	0065	14,520	2095722	\$1,500,000	01/04/05	\$103.31	DEL TEET WAREHOUSE	CBD-MU	1	Y	
080	050	067210	0034	8,735	2016455	\$2,017,500	01/29/04	\$230.97	CONTINENTAL OFFICE PARK	O	1	Y	
080	050	067210	0157	21,371	2168511	\$3,990,000	11/09/05	\$186.70	CENTURY ONE BUILDING	O	1	Y	
080	050	067210	0160	32,333	2179619	\$4,100,000	12/30/05	\$126.81	ASR BUILDING (ALL SERVICES BUILD	O	1	Y	
080	050	067210	0191	48,876	1950762	\$10,500,000	04/03/03	\$214.83	OFFICE BUILDING LEXUS-NEXUS	GC	1	Y	
080	050	272505	9002	93,414	2032841	\$11,012,000	04/22/04	\$117.88	RETAIL STORE	CB	2	Y	
080	050	272505	9064	13,523	2112212	\$2,400,000	03/31/05	\$177.48	ROCKWOOD OFFICE PARK	PO	1	Y	
080	050	272505	9083	28,160	2126330	\$3,850,000	05/27/05	\$136.72	SUN GEM BUILDING	GC	1	Y	
080	050	272505	9125	3,445	2172444	\$1,250,000	11/29/05	\$362.84	THE DABLL BLDG - OFFICES	LI	1	Y	
080	050	272505	9140	2,390	2117428	\$655,000	04/19/05	\$274.06	MC DONALD ENTERPRISES INC	O	1	Y	
080	050	272505	9150	10,275	2020279	\$1,750,000	02/23/04	\$170.32	OFFICE BUILDING	PO	1	Y	
080	050	272505	9173	6,531	2130238	\$1,835,000	06/10/05	\$280.97	PARK-EAST OFFICE	O	1	Y	
080	050	272505	9186	1,372	2163408	\$550,000	10/20/05	\$400.87	OFFICE BUILDING conv SFR	GC	1	Y	
080	050	272505	9211	1,736	2178556	\$1,028,880	12/21/05	\$592.67	Union 76	CB	1	Y	
080	050	272505	9229	15,960	2143796	\$3,950,000	07/29/05	\$247.49	Retail	CB	1	Y	
080	050	272505	9247	11,915	2036343	\$2,199,412	04/28/04	\$184.59	OFFICE BUILDING	PO	1	Y	
080	050	272505	9275	13,007	2073361	\$2,866,248	09/29/04	\$220.36	OFFICE BUILDING	GC	1	Y	
080	050	272505	9310	15,200	2159431	\$2,600,000	09/30/05	\$171.05	PARKLAND BUILDING	O	1	Y	
080	050	272505	9326	6,474	2046884	\$1,415,000	06/10/04	\$218.57	ROCKWOOD OFFICE PARK	PO	1	Y	
080	050	272505	9327	36,034	2174880	\$5,000,000	12/05/05	\$138.76	DIGITAL	GC	1	Y	
080	060	152505	9098	10,348	2016456	\$2,120,000	01/21/04	\$204.87	OFFICE BLDG	R-20	1	Y	

080	070	109910	0370	9,476	2043817	\$2,100,000	06/01/04	\$221.61	CORP. ARTS WEST BLDG	PO	1	Y	
080	070	109910	0371	13,093	2044366	\$3,350,000	06/02/04	\$255.86	875 BUILDING	O	2	Y	
080	070	109910	0410	13,233	2075238	\$2,965,000	10/04/04	\$224.06	OFFICE BUILDING	GC	1	Y	
080	070	109910	0410	15,800	2163943	\$3,500,000	10/24/05	\$221.52	OFFICE BUILDING	GC	1	Y	
080	070	109910	0490	10,060	2152170	\$2,308,530	08/31/05	\$229.48	OFFICE BUILDING	GC	1	Y	
080	070	257027	0010	27,564	2013188	\$4,750,000	12/29/03	\$172.33	520 CORPORATE CENTER	PO	1	Y	
080	070	282505	9018	10,320	2166640	\$2,350,000	10/31/05	\$227.71	ATLANTIC CENTER	O	1	Y	
080	070	282505	9116	132,147	2069693	\$20,000,000	09/15/04	\$151.35	LA PLAZA EAST OFFICE PARK	LI	1	Y	
080	070	282505	9120	19,425	2096814	\$3,400,000	01/14/05	\$175.03	UNDERWOOD 130	O	1	Y	
080	070	282505	9148	12,070	2119006	\$3,300,000	04/19/05	\$273.41	EASTSIDE PROFESSIONAL CENTER	O	1	Y	
080	070	282505	9191	24,535	1949310	\$2,242,500	03/26/03	\$91.40	JOURNAL AMERICAN PRINTING CENTER	LI	1	Y	
080	070	282505	9199	12,976	2052684	\$1,450,000	07/01/04	\$111.74	BEL RED AUTO REBUILD	LI	2	Y	
080	070	282505	9212	10,320	2120557	\$2,300,000	05/04/05	\$222.87	ATLANTIC CENTER	O	1	Y	
080	070	282505	9294	28,832	2087418	\$3,250,000	11/29/04	\$112.72	BARCLAY DEAN INTERIORS	LI	1	Y	
080	070	282505	9303	9,000	2090568	\$1,400,000	12/10/04	\$155.56	HYDRO - WEST	LI	1	Y	
080	070	332505	9183	76,989	2117590	\$15,800,000	04/25/05	\$205.22	EASTRIDGE CORP CENTER	O	2	Y	
080	070	385490	0028	11,324	2007961	\$2,550,000	12/01/03	\$225.19	BEL RED PLACE	O	1	Y	
080	070	385490	0028	0	2007960	\$2,350,000	12/08/03	\$0.00	OFFICE BUILDING	O	1	Y	
080	070	398651	0010	9,156	2179183	\$1,900,000	12/26/05	\$207.51	former restaurant	GC	1	Y	
080	070	609350	0045	1,260	2151958	\$431,000	08/28/05	\$342.06		O	1	Y	
080	070	609350	0100	1,342	2110644	\$476,000	03/23/05	\$354.69		O	1	Y	
080	070	609350	0180	2,322	2170811	\$695,000	11/18/05	\$299.31		O	1	Y	
080	070	804610	0089	13,879	2180000	\$2,875,000	01/03/06	\$207.15	GALL LANDAU YOUNG CONST CO	GC	1	Y	
080	070	939970	0145	8,008	2063724	\$1,639,500	08/18/04	\$204.73	THE STATION OFFICE BLDG	PO	2	Y	
080	080	202505	9029	5,188	2156132	\$1,750,000	09/12/05	\$337.32	SPECTRA TECHNOLOGY	OLB	1	Y	
080	080	202505	9064	27,633	2174162	\$8,500,000	11/30/05	\$307.60	Alstom	OLB	1	Y	
080	080	202505	9101	84,195	2181944	\$16,350,000	01/18/06	\$194.19	EVERGREEN OFFICE PARK II	O	2	Y	

080	080	202505	9224	9,021	2135511	\$1,600,000	06/20/05	\$177.36	MEGUMI PRE-SCHOOL	OLB	1	Y	
080	080	389810	0320	17,392	1972159	\$3,325,000	07/08/03	\$191.18	S C S ENGINEERS	OLB	1	Y	
080	080	431500	0030	6,064	2159602	\$2,021,000	09/27/05	\$333.28	LINBROOK YARROW BAY	FC III	1	Y	
080	080	431500	0040	3,520	2129206	\$1,189,000	06/06/05	\$337.78	LINBROOK YARROW BAY	FC III	1	Y	
080	080	431500	0050	3,520	2154461	\$1,205,000	08/22/05	\$342.33	LINBROOK YARROW BAY	FC III	1	Y	
080	080	431500	0070	7,388	2153100	\$2,550,000	08/29/05	\$345.15	LINBROOK YARROW BAY	FC III	1	Y	
080	080	431500	0150	47,559	2192976	\$13,400,000	03/14/06	\$281.76	LINBROOK YARROW BAY	FC III	10	Y	
080	080	438920	0265	1,124	2192501	\$500,000	03/07/06	\$444.84	DENTAL CLINIC conv SFR	O	1	Y	
080	090	939970	0800	46,484	2007971	\$5,214,691	12/09/03	\$112.18	GREENBAUM FURNITURE	OLB	1	Y	

